



Senate

General Assembly

February Session, 2018

File No. 326

Senate Bill No. 204

Senate, April 9, 2018

The Committee on Insurance and Real Estate reported through SEN. LARSON of the 3rd Dist. and SEN. KELLY of the 21st Dist., Chairpersons of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING SURETY BAIL BOND AGENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (k) of section 38a-660 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2018*):

4 (k) (1) (A) To further the enforcement of this section and sections
5 38a-660b to 38a-660m, inclusive, as amended by this act, and to
6 determine the eligibility of any licensee, the commissioner may [, as
7 often as the commissioner deems necessary,] examine the books and
8 records of any such licensee: (i) Not more frequently than once during
9 any three-year time period; or (ii) more frequently as the commissioner
10 deems necessary for good cause shown. Each person licensed as a
11 surety bail bond agent in this state shall, on or before January thirty-
12 first, annually, pay to the commissioner a fee of four hundred fifty
13 dollars to cover the cost of examinations under this subsection.

14 (B) If such person fails to pay such fee on or before January thirty-
 15 first, annually, the license of such person shall automatically expire on
 16 the February first immediately following, provided the commissioner
 17 shall immediately reinstate any such license if the commissioner
 18 receives such fee not later than ten days after such expiration.

19 (C) The commissioner shall notify, not later than December
 20 fifteenth, annually, each person licensed as a surety bail bond agent in
 21 this state about such automatic expiration provision.

22 (2) The fees received by the commissioner pursuant to subdivision
 23 (1) of this subsection shall be dedicated to conducting the examinations
 24 under said subdivision (1) and shall be deposited in the account
 25 established under subdivision (3) of this subsection.

26 (3) There is established an account to be known as the "surety bail
 27 bond agent examination account", which shall be a separate,
 28 nonlapsing account within the Insurance Fund established under
 29 section 38a-52a. The account shall contain any moneys required by law
 30 to be deposited in the account and any such moneys remaining in the
 31 account at the [close of the fiscal] end of each calendar year shall be
 32 transferred to the General Fund.

33 Sec. 2. Section 38a-660m of the general statutes is repealed and the
 34 following is substituted in lieu thereof (*Effective October 1, 2018*):

35 The commissioner may adopt regulations, in accordance with the
 36 provisions of chapter 54, to (1) implement the provisions of section
 37 38a-660, as amended by this act, and sections 38a-660b to 38a-660k,
 38 inclusive, and (2) establish continuing education requirements for
 39 persons licensed as surety bail bond agents in this state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	38a-660(k)
Sec. 2	<i>October 1, 2018</i>	38a-660m

INS

Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes various changes including those that prevent licensees from delaying payment of the annual licensing fee. The bill has no fiscal impact as it does not change the annual licensing fee collected but rather prevents a delay in such payments (currently licensees are able to delay renewal payment by several months) and the Insurance Commissioner already sends expiration date reminders.

Additionally the bill authorizes but does not require the Commissioner to establish continuing education requirements for licensed surety bail bond agents. If modelled on the continuing education requirements program for licensed insurance producers, such potential requirements could be managed with no fiscal impact to the state.

The Out Years

State Impact: None

Municipal Impact: None

Sources: Connecticut Insurance Department

OLR Bill Analysis**SB 204*****AN ACT CONCERNING SURETY BAIL BOND AGENTS.*****SUMMARY**

This bill makes several changes to the statutes relating to surety bail bond agents. A surety bail bond agent sells bail bonds in criminal cases through a contract with an insurer. The insurance commissioner licenses and regulates the agents.

The bill:

1. establishes an automatic license expiration process for when a surety bail bond agent fails to pay the required annual examination fee;
2. changes when money in the surety bail bond examination account is transferred to the General Fund to the end of the calendar year, instead of the end of the fiscal year;
3. limits how often the commissioner may examine a surety bail bond agent's books and records to no more than once every three years, or more often as she deems necessary for good cause; and
4. allows the commissioner to adopt regulations establishing continuing education requirements for licensed surety bail bond agents.

EFFECTIVE DATE: October 1, 2018

LICENSE EXPIRATION PROCESS

Under the bill, a surety bail bond agent's license expires on February 1 if the agent fails to pay the required annual \$450 examination fee by

January 31. But if the agent pays the fee on or by February 10, the commissioner must immediately reinstate the agent's license. The bill requires the commissioner, annually by December 15, to notify each agent of the expiration provision. Under current law, the commissioner must follow procedures under the Uniform Administrative Procedure Act when an agent fails to pay the fee by the deadline, which allows for an extended timeframe for adjudicating such issues.

TRANSFER OF ACCOUNT MONEY

By law, examination fees are deposited into the surety bail bond examination account, which is an account within the Insurance Fund that the commissioner uses to pay the costs of examining agents' books and records. The bill changes when money remaining in the account is transferred to the General Fund from the end of the fiscal year to the end of the calendar year. Thus, it allows her access to the money for a longer period of time than under current law.

EXAMINATION FREQUENCY

The bill limits how often the commissioner may examine agents' books and records to no more than once every three years, or more often as she deems necessary for good cause. Current law allows her to examine agents as often as she deems necessary.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 11 Nay 10 (03/20/2018)